

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF MISSOURI  
EASTERN DIVISION

|                           |   |                        |
|---------------------------|---|------------------------|
| UNITED STATES OF AMERICA, | ) |                        |
|                           | ) | No. 4:06-CV-1064 (CEJ) |
| Plaintiff,                | ) |                        |
|                           | ) |                        |
| v.                        | ) |                        |
|                           | ) |                        |
| BETONSPORTS PLC,          | ) |                        |
|                           | ) |                        |
| Defendant.                | ) |                        |
| _____                     | ) |                        |

**GOVERNMENT'S STATUS REPORT**

Plaintiff, United States of America, through counsel undersigned, submits the following status report regarding the Permanent Injunction entered by the Court on November 9, 2006 (Doc. #30). The Court has ordered the parties to inform the Court as to the status of this matter, and whether the case is suitable for dismissal, or entry of judgment in favor of the plaintiff (Doc. #31). The parties attempted to draft a joint status report, but were unable to agree on the content.

**I. COMPLIANCE WITH PERMANENT INJUNCTION**

**A. Paragraphs 1 through 10 - Ceasing Operations**

The defendant states that it has ceased all operations in the United States. The Government has no information to the contrary, and to the best of its knowledge, the defendant is in compliance with paragraphs (1) through (10) of the Court's Order of Permanent Injunction.

**B. Paragraph 11 - Telephone Notice**

The defendant states that it no longer operates any toll-free telephone services in the United States, except those established to arrange refunds to U.S. residents, as required by

paragraphs 12 and 13. The Government has no information to indicate that this is not the case.

**C. Paragraphs 12 and 13 - Refunds**

The defendant is not in compliance with these terms of the Permanent Injunction, which require BETONSPORTS PLC to refund the balance of monies deposited with it by U.S. residents prior to July 17, 2006. The defendant states that it is unable to comply with this requirement due to an order of a court in Antigua, which the defendant states puts the control of collection and dissemination of BETONSPORTS PLC assets in the hands of the Antiguan government. The United States has requested that the defendant supply the Government with a copy of the Antiguan court order. Defense counsel states that a copy of the order will be appended to BETONSPORTS PLC'S status report.

**D. Paragraph 14 - Abandonment of Trademarks**

The defendant has requested the U.S. Patents and Trademarks Office to withdraw the seven U.S. trademarks it obtained for various of its brand names. The defendant reports that the Patent and Trademarks Office is considering the request.

**E. Paragraph 15 - Transfer of Domain Names**

The defendant reports that transfer of its domain names from U.S. registrars to one in the United Kingdom is in process. The FBI, which is supervising the transfer, confirms, and states that the process should be complete within two weeks.

**F. Paragraph 16 - Web Site Posting**

The required posting appears on the home page of BetonSports.com. The United States does not have any indication that the defendant is not in compliance with this requirement of the Order.

**G. Paragraph 17 - Telephone Service Posting**

The defendant states that it no longer operates any toll-free telephone services in the United States, except those established to arrange refunds to U.S. residents, as required by paragraphs 12 and 13. The United States has no information to the contrary.

**H. Paragraph 18 - Full Page Ad**

The defendant has not complied with this portion of the Court's Order. The defendant states that the required ad will appear in "USA Today," some time after December 29, 2006.

**I. Paragraph 19 - Production of Documents**

The defendant is not in compliance with this part of the Order. The defendant has provided the United States with two listings of banking institutions, and a listing of all the names under which it did business in the United States. However, the United States believes that there are additional banks and financial institutions where the defendant held and controlled accounts during the last five years. The defendant has not made documents available to the United States, as required by the Order. The defendant claims that it has no control over documents held in Antigua, which include the business records of BetonSports.com, due to lack of resources.

**II. REQUEST THAT THE COURT RETAIN JURISDICTION**

As the defendant has not yet fully complied with the Court's Order, the United States requests the Court to retain jurisdiction in this matter, and set a date in January for entry of judgment in favor of the United States.

Respectfully submitted this 27<sup>th</sup> day of December, 2006.

For the Plaintiff:

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/s/ Michael K. Fagan

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MARTY WOELFLE  
Trial Attorney  
U.S. Department of Justice  
Organized Crime & Racketeering Section

**CERTIFICATE OF SERVICE**

I hereby certify that on December 27<sup>h</sup>, 2006, the foregoing was filed with the Clerk of the Court to be served by operation of the Court's electronic filing system upon the following:

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/s/ Marty Woelfle